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Economic developers from around the state turn out to support Sen. Brown's SB 1111

LANSING – Economic development officials from around the state testified today in support of Sen. Cameron Brown's Senate Bill 1111, a tool they said is desperately needed to help attract and retain jobs in Michigan.

Approved by the Senate Committee on Economic Development, Small Business and Regulatory Reform, the bill would give local units of government the ability to offer tax abatements to distribution warehouse facilities and logistics centers. The measure mirrors a bill passed by the Legislature last year, but vetoed by Gov. Jennifer Granholm.

"These economic development officials are on the front lines of the effort to create and keep jobs in Michigan," said Brown, R-Fawn River Township. "Today they spoke with one voice – telling the Legislature and especially the governor that they need this tool in their economic development toolbox. Their message was clear: this bill will create jobs."

The need for the legislation was originally brought to Brown's attention when a large food distribution company – Performance Foods – chose to locate a 400,000-square foot facility in nearby Kendallville, Indiana rather than Michigan. The inability of Michigan communities to offer commercial tax abatements for distribution warehouses was specifically cited by the company as a reason it went elsewhere.

Economic development officials from across the 16th Senate District testified in favor of Brown's bill:

"This is something we've been working on for years now, and I'm appreciative of Sen. Brown's efforts in moving this legislation to the governor's desk again," said Dave Allen, former EDC director for St. Joseph County. "These logistical center and warehouse facility jobs are high paying, high investment jobs – we want these jobs here. Missing out on opportunities to bring Fortune 100 and 500 companies into Michigan is brutal for our border counties."

David Munson, president and CEO of the Lenawee Chamber for Economic Development also testified: "In July 2005, a \$200 million, 1.4 million square-foot logistical center chose not to locate in Adrian Township. A lack of tax abatements and incentives was the company's reason for their decision. This bill would put Michigan on the map amongst our biggest competition – other states – in attracting business to our state."

Concurred Don Beavers, Constantine Village manager: “The border counties in Michigan are in constant competition with Ohio and Indiana, and therefore, must be on a level playing field with other states bidding for these jobs. To be competitive, and protect and recruit new jobs for Michigan, communities need incentives,” Beavers said.

“Rather than lamenting our losses, Michigan must be proactive in winning our next opportunity,” said Cathy Annis, acting director for the St. Joseph County Economic Development Corporation. “There will be more distribution and warehouse projects on the horizon for southwest Michigan, and once again, we’ll be competing against our border states for them.”

Brown’s bill reintroduction comes at a time when Michigan’s economy continues to languish. The state’s unemployment rate has steadily ranked among the worst in the country, while Detroit’s ranks ahead of only hurricane-ravaged New Orleans among major metropolitan areas.

“The governor has indicated that she would do anything and go anywhere to secure job growth in our state,” Brown said. “I hope she signs this bill when it reaches her desk this time so her actions match her words. We certainly cannot afford to wait for the job situation in our state to get any worse.”

SB 1111 now goes to the full Senate.

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Editor’s note: A photo of Sen. Brown with local leaders testifying before the Senate Committee on Economic Development, Small Business and Regulatory Reform is available on the Senate Majority Photowire at:

<http://www.senate.michigan.gov/gop/photowire/Brown/Brown.htm>.